

Regular Session, 2010

SENATE BILL NO. 724

BY SENATOR N. GAUTREAUX

LANDS/WATERBOTTOM. Provides relative to the income beneficiary of certain revenues generated on certain state-owned water bottoms. (8/15/10)

AN ACT

To amend and reenact R.S. 41:642(A)(2), relative to sixteenth section and school board indemnity lands; to provide for revenues generated by certain sixteenth section and school board indemnity lands; to provide terms and conditions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 41:642(A)(2) is hereby amended and reenacted to read as follows:

§642. Sixteenth section lands; erosion; title and revenues

A.(1) \* \* \*

(2)(a) In the event any such eroded or subsided lands are covered by an existing oil and gas lease or other contract granted by the state in its sovereign capacity, all proceeds from production and other revenues, generated after July 1, 2007, and attributable to the eroded lands, shall be credited to the account of the current school fund of the parish having an interest in the sixteenth section or indemnity lands.

**(b) In the event sixteenth section lands are comprised entirely of state-owned water bottoms and no school indemnity lands were provided for such**

1 sixteenth section lands, all proceeds received by the state from production and  
2 other revenues generated after July 1, 2007, from any oil and gas lease or other  
3 contract granted by the state in its sovereign capacity attributable to the  
4 sixteenth section lands shall be credited to the account of the current school  
5 fund of the parish in which such sixteenth section lands are located. The  
6 secretary of the Department of Natural Resources shall certify to the treasurer  
7 the amount of proceeds to be credited pursuant to this Subparagraph.

8 \* \* \*

9 Section 2. The provisions of this Act shall be applied retroactively to July 1, 2007.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by J. W. Wiley.

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#### DIGEST

Present law provides that sixteenth section or school board indemnity lands will be deemed transferred to the state in its sovereign capacity when such lands become a part of the bed of any body of navigable water as a result of erosion, subsidence of the surface, action of a navigable stream, bay, lake, or the Gulf of Mexico, or other similar occurrence. Further provides that revenues generated by such former lands held in trust shall be credited to the account of the current school fund of the parish having an interest in the sixteenth section or indemnity school lands to ensure the purposes of the original grant.

Present law provides an exception that in the event any such eroded or subsided lands are covered by an existing oil and gas lease or other contract granted by the state in its sovereign capacity, all proceeds from production and other revenues, generated after July 1, 2007, and attributable to the eroded lands, will be credited to the account of the current school fund of the parish having an interest in the sixteenth section or indemnity lands.

Present law provides for the proof required to be presented to the DNR showing the exact extent of land claimed to be lost through erosion or subsidence and evidence as may be required by DNR showing the extent of the erosion or subsidence claimed.

Proposed law provides that in the event sixteenth section lands are comprised entirely of state-owned water bottoms and no school indemnity lands were provided for such sixteenth section lands, all proceeds received by the state from production and other revenues generated after July 1, 2007, from any oil and gas lease or other contract granted by the state in its sovereign capacity attributable to the sixteenth section lands shall be credited to the account of the current school fund of the parish in which such sixteenth section lands are located. Further provides that the secretary of the DNR must certify to the treasurer the amount of proceeds to be credited pursuant to proposed law.

Proposed law provides that proposed law will be applied retroactively to July 1, 2007.

Effective August 15, 2010.

(Amends R.S. 41:642(A)(2))